



EMPOWERMENT SCHOLARSHIP ACCOUNT  
AGREEMENT  
2011-2012 School Year

This Empowerment Scholarship Account Agreement (this Agreement) is entered into as of August 1, 2011 (Effective Date) by and between the Arizona Department of Education (ADE) and «First Name» «Last Name» (Holder) pursuant to Arizona Revised Statutes § 15-2402(B).

In consideration of the mutual promises contained herein and for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. Empowerment Scholarship Account. In exchange for Holder's commitment to those obligations set forth in Section 3, ADE will create for the 2011-2012 school year an Empowerment Scholarship Account (ESA) in the amount of «Annual\_Award» (the ESA Funds) to be used for the benefit of «Student Name» (Student). ADE will transfer the ESA Funds to the Arizona State Treasurer (Treasurer) on a quarterly basis in the amount of «Quarterly Disbursement» each quarter. The Treasurer will deposit the ESA Funds each quarter into the ESA administered by the Bank of America (Bank).

2. Term and Termination. This Agreement will be effective as of the Effective Date for only the 2011-2012 school year or such portion of the school year remaining (the Term). Unless earlier terminated pursuant to Paragraphs 3(C), 3(D), 3(F) or Section 4 or for any other reason at the sole discretion of ADE, this Agreement will terminate on June 30, 2012. If this Agreement is terminated prior to the end of the Term, Holder forfeits all rights to the ESA Funds and may be required, upon written notice pursuant to Section 8, to reimburse previously expended ESA Funds to the State of Arizona. Parents may appeal an ADE decision to terminate pursuant to Arizona Revised Statutes, Title 41, Chapter 6, Article 10.

3. Holder Representations and Obligations.

A. Holder represents that the ESA Funds will be used solely to provide an education for Student, which, at a minimum, includes instruction in reading, grammar, mathematics, social studies and science. ESA Fund expenditures are limited to the following:

1. Tuition, fees and/or required textbooks at a qualified school. A qualified school is defined as a private school in Arizona serving kindergarten, grades one through twelve or a preschool for disabled students. The school must not discriminate on the basis of race, color or national origin.

2. Educational therapies and/or services for the Student from a licensed or accredited practitioner or provider.

3. Tutoring services from an individual or provider who is accredited by a state, regional or national accrediting organization.

4. Purchase of curriculum, generally defined as a complete course of study for a particular content area or grade level.

5. Tuition and/or fees for a private online learning program.

6. Fees for nationally standardized norm-referenced achievement tests, Advanced Placement exams and/or other exams related to college or university admissions such as ACT or SAT.

7. Contributions to a qualified college savings plans, as authorized by 11 United States Code §529, for the benefit of Student.

8. Tuition, fees and/or required textbooks at public community college or university in Arizona.

9. Account fees charged by Bank administering the ESA.

B. Holder will submit documentation of all ESA expenditures on a quarterly basis as described in the Expenditure Verification instructions attached as Exhibit A. Documentation must include, at a minimum, Bank issued statements, receipts for each expenditure and copies of any relevant provider licenses or other credentials.

C. During the Term, Holder will not enroll Student in a public school. Enrollment of Student in a public school during the Term constitutes a violation of this Agreement and will result in the immediate termination of this Agreement.

D. During the Term, Holder agrees not to accept a scholarship grant for Student from a Student Tuition Organization (STO). Acceptance of a scholarship grant for Student from an STO during the Term constitutes a violation of this Agreement and will result in the immediate termination of this Agreement.

E. Holder certifies the public school district or charter school Student last attended is no longer obligated to provide services to Student during the Term.

F. Holder represents that all information provided in the ESA Application filed by Holder on behalf of Student is complete and accurate. The ESA Application is attached hereto as Exhibit B. If ADE determines that any of the information provided by Holder as part of the ESA Application is incorrect, then ADE may, at its sole discretion, terminate this Agreement.

G. Holder will provide additional information and/or sign agreements or waivers required by the Bank in the administration of the ESA.

4. Fraudulent Activity. Holder acknowledges that any substantial misuse of the ESA Funds may be referred to the Arizona Attorney General's Office if ADE obtains evidence of fraudulent use of the ESA.

5. Choice of Law. This Agreement will be construed in accordance with the laws of the State of Arizona.

6. Waiver. ADE's failure to strictly enforce any term of this Agreement does not constitute a waiver of such term or prevent ADE from strictly enforcing any term of this Agreement at any time.

7. Conflict of Interest. This Agreement is subject to cancellation under A.R.S. § 38-511.

8. Notices. Any required notice under this Agreement shall be sent first-class mail to the party at the address below:

Holder:           «First\_Name» «Last\_Name»  
                      «Address\_Line\_1»  
                      «City», «State» «ZIP\_Code»

ADE:             Arizona Department of Education  
                      Attn: Stacey Morley  
                      1535 West Jefferson St., Bin #2  
                      Phoenix, Arizona 85007

9. Arbitration. Both parties agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518.

10. Entire Agreement; Amendment. This Agreement and the attachments hereto sets forth the entire agreement between the parties concerning the subject matter hereof and supersedes all previous agreements, written or oral, concerning such subject matter. This Agreement may be amended only by written agreement duly executed by both parties.

[Signature page follows]

IN WITNESS WHEREOF, ADE has caused this Agreement to be executed by its duly authorized representative and Holder has executed this Agreement as of the Effective Date.

**HOLDER**

**ARIZONA DEPARTMENT  
OF EDUCATION**

\_\_\_\_\_  
(signature)

«First\_Name» «Last\_Name»

\_\_\_\_\_  
(signature)

Stacey Morley, Director  
Policy Development & Government Relations

Holder must also include the following information in order for the ESA to be opened:

\_\_\_\_\_  
(Date of Birth)

\_\_\_\_\_  
(Social Security Number)

\_\_\_\_\_  
(Physical Address – PO Box not acceptable)

\_\_\_\_\_  
(City, State Zip code)